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FISCAL IMPACT REPORT

SPONSOR: Rodella DATE TYPED: 02/06/03 HB 329

SHORT TITLE: Preserve Chimayo Chile Strain SB _____

ANALYST: Padilla

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$100.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB221, HB69, SB30

Conflicts with HB438

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Agriculture

Economic Development Department

SUMMARY

Synopsis of Bill

House Bill 329 appropriates \$100.0 from the General Fund to the Economic Development Department to contract with a non-profit farmers' market organization for the purpose of developing the Chimayo chile industry. EDD would be required to report to the 2005 legislature on the benefits of this appropriation.

Significant Issues

The bill requires the contractor to be a farmers' market organization based in Santa Fe county with at least one hundred fifty members. The only organization meeting this specific description

is the Santa Fe Farmers' Market. The Santa Fe Farmers' Market is a private, non-profit enterprise. Because the appropriation in this bill would directly benefit this organization, the bill may violate the anti-donation clause of the New Mexico Constitution.

The appropriation in this bill may be better directed to New Mexico State University, where the College of Agriculture and Home Economics has a Chile Pepper Task Force, or to the Department of Agriculture, which has a marketing and development division. The Economic Development Department believes that it is not the appropriate agency to implement this tasks outlined by this bill.

FISCAL IMPLICATIONS

The appropriation of \$100.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

Because EDD does not have expertise in agriculture preservation and marketing, it may not be the best agency to carry out the intent of this bill.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 438 appropriates \$241.7 to New Mexico State University to increase the profitability and yield of chile and to increase the economic sustainability of the New Mexico chile industry.

House Bill 221 appropriates \$121.0 to the Department of Finance and Administration for planning and developing a permanent farmers' market site on the city of Santa Fe railyard property in Santa Fe.

House Bill 69 and Senate Bill 30 appropriate \$50.0 from the general fund to the New Mexico Department of Agriculture for the purpose of promoting local farmers' markets throughout the state, providing marketing and organizational assistance to new and developing markets and to disseminate education information about New Mexico agriculture to consumers.

OTHER SUBSTANTIVE ISSUES

The Department of Agriculture notes that the Chimayo chile is a traditional chile pepper grown throughout northern New Mexico and that it is recognized and preferred by many consumers.

SUGGESTED AMENDMENTS

The Economic Development Department recommends the following amendments:

On page 1, line 18, delete "Economic Development Department" and replace with "Department of Agriculture, Marketing and Development Division."

On Page 1, line 25, delete "Economic Development Department" and replace with "Department of Agriculture."

POSSIBLE QUESTIONS

Does the appropriation contained in this bill violate the anti-donation provisions of the New Mexico Constitution?

If the intent of this bill is to study the chile industry, would this appropriation be better directed to New Mexico State University or to the Department of Agriculture?

LP/njw:yr